## **Introduced by Senator Correa**

February 18, 2010

An act to amend Section 65584 of Sections 65584.04 and 65584.05 of, and to add Sections 65584.10 and 65584.11 to, the Government Code, relating to land use.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1189, as amended, Correa. Land use: housing element: regional housing need.

The Planning and Zoning Law requires a city or county general plan to include specified elements, including a housing element that identifies adequate sites for housing and makes adequate provision for the existing and projected housing needs of all economic segments of the community. That law requires a city or county to revise its housing element according to a specified schedule, requires the Department of Housing and Community Development to determine the existing and projected need for each region for the 4th and subsequent revisions of a city's or county's housing element, and requires a city's or county's share of the regional housing need to include the share of the housing need of persons at all income levels within the area significantly affected by the general plan of that city or county.

The Planning and Zoning Law requires, at least 2 years prior to a scheduled revision, each council of governments, or delegate subregion, as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties, consistent with specified objectives.

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This bill would require the Southern California Association of Governments or a delegate subregion, as applicable, to follow an alternate specified process for developing the required methodology.

Existing law, to the extent that the final allocation plan fully allocates the regional share of statewide housing need, grants the council of governments final authority to determine the distribution of the region's existing and projected housing need.

This bill would create a process for judicial review and amendment of the final allocation plan, as specified.

The Planning and Zoning Law further requires the appropriate council of governments, or for a city or county without a council of governments the department, to adopt a final regional housing allocation plan, allocating to each city or county within the region its share of the regional housing need, at least one year prior to a scheduled revision of that city's or county's housing element.

This bill would make a technical, nonsubstantive change in that law. Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 65584.04 of the Government Code is 2 amended to read:

3 65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or 4 delegate subregion as applicable, shall develop a proposed 6 methodology for distributing the existing and projected regional 7 housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this 9 section. The methodology shall be consistent with the objectives 10 listed in subdivision (d) of Section 65584. The methodology developed by the association, as defined in subdivision (a) of 11 12 Section 65584.10, or delegate subregion within the association, 13 as applicable, shall ensure that the distribution of housing need 14 to each local government within the association is in compliance 15 with Section 65584.10.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information

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regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

- (2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.
- (3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.
- (4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).
- (c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.
- (d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

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 (1) Each member jurisdiction's existing and projected jobs and housing relationship.

- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
- (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
- (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
- (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.
- (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.
- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
  - (4) The market demand for housing.
- (5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
- (6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583,

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that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

- (7) High-housing cost burdens.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) For jurisdictions within the association, as defined in subdivision (a) of Section 65584.10, the maximum allocation that may be distributed to member jurisdictions pursuant to Section 65584.10.

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- (11) Any other factors adopted by the council of governments.
- (e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.
- (f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.
- (g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.
- (h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the

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methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

- (i) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.
- (2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.
- (3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan.
- SEC. 2. Section 65584.05 of the Government Code is amended to read:
- 65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04 and, for the association, as defined in subdivision (a) of Section 65584.10, and delegate subregions within the association, as applicable, based on the compliance with Section 65584.10. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.
- (b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described

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in paragraphs (1) to (9), inclusive, and paragraph (10), if applicable, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

- (c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.
- (d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government may appeal its draft allocation based upon either or both one of the following criteria:
- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.
- (2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.
- (3) The association, as defined in subdivision (a) of Section 65584.10, or delegate subregion within the association, as applicable, failed to determine a local government's allocation in compliance with Section 65584.10.
- (e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days after the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days after the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as

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applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

- (f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days after the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.
- (g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the revision request process and the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these

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communities, then the council of governments shall include the alternative distribution in the final allocation plan.

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- (h) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To Subject to an order from a court pursuant to Section 65584.11, to the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 60 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.
- (i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.
- SEC. 3. Section 65584.10 is added to the Government Code, to read:
- 65584.10. (a) For purposes of this section and Sections 65584.04, 65584.05, and 65584.11, the "association" is the Southern California Association of Governments.
- (b) For the fifth and subsequent revisions of the housing element pursuant to Section 65588, the methodology developed by the association or delegate subregion within the association, as applicable, pursuant to Section 65584.04, shall ensure that no jurisdiction within the association, or within the delegate subregion, as applicable, receives an allocation of the regional housing need in excess of the limit prescribed in subdivision (c).

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(c) The final allocation plan adopted by the association pursuant to subdivision (h) of Section 65584.05 shall not allocate to any one jurisdiction within the association a share of the regional housing need that results in a jurisdiction receiving an allocation, as a percentage of the total need for the subregional council of governments within which the jurisdiction is located, that is more than 20 percent than the jurisdiction's population, as a percentage of the total population of the subregional council of governments within which the jurisdiction is located. For purposes of this subdivision, the following shall apply:

- (1) A jurisdiction's and subregional council of government's population shall be the respective populations estimated at the time of the adoption of the methodology pursuant to Section 65584.04.
- (2) A "subregional council of governments" is any subregional council of governments within the association created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, regardless of whether the subregional council of governments has accepted delegation pursuant to this article.
- (3) The calculation of a jurisdiction's percentage allocation shall be based upon the jurisdiction's total allocation for all income levels and shall not be based upon either one income level or a combination of income levels that is less than the jurisdiction's total allocation for all income levels.
- (4) The calculation of a subregional council of government's percentage allocation shall be based upon the subregional council of government's total allocation for all income levels and shall not be based upon either one income level or a combination of income levels that is less than the subregional council of government's total allocation for all income levels.
- 32 SEC. 4. Section 65584.11 is added to the Government Code, 33 to read:
  - 65584.11. (a) The final allocation plan adopted by a council of governments pursuant to subdivision (h) of Section 65584.05, and all actions taken by a council of governments or delegate subregion, as applicable, in furtherance of the adoption of the final allocation plan, shall be subject to judicial review to ensure consistency with the requirements of this article. Judicial action brought pursuant to this section shall be filed no later than 90

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days after the adoption of the final allocation plan by the council of governments. The action shall be filed in a superior court located within the boundary of the council of governments adopting the final allocation plan that is subject to the judicial challenge.

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- (b) If a court finds that the requirements of this article have not been met, the court shall order the council of governments or delegate subregion, as applicable, to take any and all actions necessary for compliance. If a court finds that the final allocation plan adopted by a council of governments pursuant to subdivision (h) of Section 65584.05 allocates to a jurisdiction or jurisdictions a share of the regional housing need in violation of the requirements of this article, a court shall order the council of governments to adopt a revised final allocation plan that allocates to the jurisdiction or jurisdictions a share of the regional housing need in compliance with the requirements of this article.
- (1) If the regional housing need for the council of governments as determined by Section 65584.01, or subregional distribution of housing need as determined by Section 65584.03, is a range of dwelling units, then a court may order the council of governments to reduce, as part of the revised final allocation plan, only the allocations found to be in violation of this article without ordering adjustments to the allocations to other jurisdictions, if the minimum number of dwelling units within the range of the regional housing need or subregional distribution, as applicable, can be maintained.
- (2) If the regional housing need for the council of governments as determined by Section 65584.01, or the subregional distribution of housing need as determined by Section 65584.03, is not a range of dwelling units, or if the minimum number of dwelling units within a range cannot be maintained after reducing only the allocations found to be in violation of this article, then a court may order the council of governments to reduce, as part of the revised final allocation plan, only the allocations found to be in violation of this article and to distribute the adjustments proportionately to the other jurisdictions within the council of governments or delegate subregion, as applicable, so that the regional housing need or minimum number of dwelling units within a range as determined pursuant to Section 65584.01 or 65584.03, as applicable, can be maintained.
- (3) If the court orders reductions or adjustments to the final allocation plan pursuant to this section, then the court shall also

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order that, in no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03.

- (c) A council of governments shall adopt a revised final allocation plan ordered by a court pursuant to this section. A revised final allocation plan adopted pursuant to a court order shall be final and shall not be subject to an appeal to the council of governments, or delegate subregion, as applicable. The court shall maintain jurisdiction over the council of governments and delegate subregion, as applicable, to ensure compliance with any order issued pursuant to this section.
- (d) The council of governments shall submit to the department a revised final allocation plan ordered by a court pursuant to this section within three days of adoption by the council of governments. Within 60 days after the department's receipt of the revised final allocation plan, the department shall determine whether or not the revised final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. If the department determines the revised final allocation plan is not consistent with the existing and projected housing need for the region, the Attorney General, acting on behalf of the department, may petition the court with continuing jurisdiction over the council of governments and delegate subregion, as applicable, to enforce this consistency.
- (e) If a revised final allocation plan ordered by a court pursuant to this section results in an adjustment to a jurisdiction's allocation of the regional housing need when compared to the jurisdiction's allocation pursuant to the final allocation plan previously adopted by the council of governments pursuant to subdivision (h) of Section 65584.05, then the jurisdiction shall, in accordance with Section 65585, adopt an amendment to its housing element to accommodate the adjusted allocation.

SECTION 1. Section 65584 of the Government Code is amended to read:

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of

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Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of that city or county.

- (2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.
- (b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.
- (c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.
- (d) The regional housing needs allocation plan shall be consistent with all of the following objectives:
- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

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(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

- (3) Promoting an improved intraregional relationship between jobs and housing.
- (4) Allocating a lower proportion of housing need to an income eategory when a jurisdiction already has a disproportionately high share of households in that income eategory, as compared to the countywide distribution of households in that eategory from the most recent decennial United States census.
- (e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:
- (1) Very low incomes as defined by Section 50105 of the Health and Safety Code.
- (2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.
- (3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.
- (4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.
- (f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).